

April 11, 1985

Thursday

Live—from New York—it's Martin Short!

Creating a whole cast
of 'SNL' characters

INSIDE:

- Special Report:
Canada punches up
its global profile
- Contract Sports looks
at new NBA plan

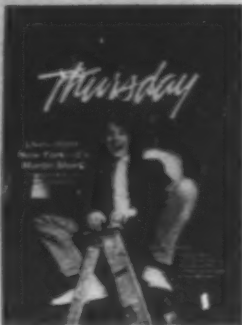
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In the news

Delta plays oldie but goodie

When Delta Air Lines decided to put a long-running advertising slogan on ice, the company didn't mind borrowing to come up with a new one. Delta simply bought the rights to a song that once worked wonders for *Sports Illustrated*. See Page 4.

Jingle jangles advertiser



Cover photo by Arnie Adler

Are three notes enough of a jingle to warrant trademark protection? That's what Nabisco Brands would like to know, and it's up to a New York court to decide. See Page 4.

Short takes

"Saturday Night Live's" Martin Short has created a Grimley funny character and ridden it to late-night comedy success. See Page 5.

A publishing 'Romance'

The all-together woman is the target of *Romance Today*, a four-color, slick women's magazine set to debut in the May 5 Sunday editions of the *New York Daily News*. See Page 9.

Uncovering the jeans beat

Jag jeans caught readers' attention with a print ad in which all but three of the 13 models were nude. It was created by a new Franco-American agency called ADN. See Page 31.

Presstime

Two of them look at 'Us'

New York—*Us* is likely to be sold soon by Macfadden Holdings' Peters Publishing Co. division to Straight Arrow Publishers (*Rolling Stone*) and Telepictures Publications (*Muppet Magazine*), publishing industry sources say. All three companies declined comment on reports of the impending sale of the every-other-weekly.

A-B hatches promo

St. Louis—Anheuser-Busch soon will launch an unusual promotion for its Natural Light brand. Complementing that brand's "The beer with the taste for food" theme line (AA, Nov. 26), the on and off-premise promotion will offer a \$1 rebate with proofs-of-purchase for fresh chicken and two six-packs. Also included is a recipe for Chicken Monica, a dish featured in one of the Natural Light spots. D'Arcy MacManus Masius handles. Separately, an A-B spokesman flatly denied published reports the brewer plans to start a pay-per-view cable channel to carry St. Louis Cardinals baseball games. A-B owns the National League team. Sports Time Cable Network, in which A-B held a 51% interest, folded March 31. That network had telecast Cardinals games.

'S-T' pages local agencies

Chicago—Chicago Sun-Times has invited nine local agencies to vie for its account. The winner will succeed Grey, Lyon & King, New York. The agencies contacted for formal presentations are Bozell & Jacobs; Campbell-Mithun; Doremus & Co.; HCM; Smith, Badofsky & Raffel; Albert Jay

Special Report



International—Canada

Canada is looking beyond its own borders. More Canadian companies are investing in the U.S., and many Canadians are finding jobs overseas. Agencies, media and admen from Quebec to British Columbia are included in the Special Report, starting on Page 13.

Rosenthal & Co.; Don Tennant Co.; Zechman & Associates, and Zwirn & Wagner.

O&M gets bank account

HARTFORD—Connecticut National Bank has named Ogilvy & Mather Partners, New York, to handle its \$3.6 million advertising and promotion account after a six-agency review. Geers Gross previously handled.

\$300M to merger pals?

New York—Broadcast station brokers expect Capital Cities/ABC Inc. to get between \$300 million and \$500 million from the sale of tv and radio properties needed to meet Federal Communications Commission requirements as part of the merger of the two companies. The brokers also expect Cap Cities/ABC to receive as much as 12 times projected cash flow, compared with the rate of 10 times cash flow in other recent station sales.

ESPN forms Olympic team

BRISTOL, Conn.—ESPN has tapped 22 1984 Olympians to host its 16-day rebroadcast of the 1984 Summer Olympics beginning June 29. Among the athletes who will revisit Los Angeles for special coverage of their sports are Mark Breland, Michael Jordan, Edwin Moses and Mary Lou Retton. David Wolper, producer of the opening and closing events of the Olympics, will also appear.

Bozell is on Beam

Chicago—Bozell & Jacobs has added a new-product assignment from James B. Beam Distill. (Continued on Page 31)

'Go West' not part of vocabulary for East Coast talent

By Jennifer Pendleton

Hiring talent from the East for positions in California is risky business, according to Bozell & Jacobs Pacific division chairman Cy Schneider.

Getting the prospective employee to accept the job is easy. The real test comes later—seeing if the new hire can adjust to life on the West Coast.

"When they accept the job, they think, 'Yes, it would be nice to have a vacation. I think I'll take it,'" explains Mr. Schneider, noting that, for many, West Coast experience is limited to brief respites at posh lodgings, such as the Beverly Hills Hotel.

"With their first paycheck, they buy a pair of sunglasses. On the second, a sports car," explains Mr. Schneider.

But then, the problems start to emerge: "They go crazy. They find they don't have any support systems here," states Mr. Schneider. "They're astonished they can't find a corned beef sandwich after 10 p.m."

Dealing with the culture shock many transplants from the East experience after moving to California is only one problem agency heads face when filling management positions. In interviews with the general managers of several major agencies in Los Angeles and San Francisco, most complain about the difficulty of finding top talent for middle and upper-management positions.

Many admit the West Coast talent pool is smaller than that of New York and Chicago. One of the obvious reasons is that there are fewer major package-goods companies in the West, the kind that typically provide a solid foundation for careers in account management.

"There's a shortage because there aren't too many training companies based here," laments Alan Pando, president of Della Femina, Traviano & Partners' Los Angeles office. "And the average account exec gravitates to New York because that's where the action is." He believes the typical account exec who has spent his entire career on the West Coast is less prepared for a management position than his eastern counterparts.

Craig Campbell, director of client services at Foote, Cone & Belding, Los Angeles, agrees that good management personnel are hard to find, but thinks the problem goes beyond the lack of package-goods companies based in the West. The agency business simply is growing at a faster rate than new talent is entering the business, he believes. Jerry McCoe, executive director of Ogilvy & Mather, Los Angeles, thinks so, too. "It's [the talent pool] not as big as it used to be," states the recent New York transplant.

In addition to facing fewer qualified prospects, Los Angeles and San Francisco agencies have another major problem that inhibits recruitment efforts: The prohibitive cost of California real estate. "It's the single biggest obstacle in a New York or Chicago move," states Los Angeles-based executive recruiter Joan Baeder.

While a senior executive may be able to own a substantial home for \$300,000 in some suburbs of New York or Chicago, prospective employees are shocked to learn that a similar sum will yield only a modest post-World War II two-bedroom house in West Los Angeles.

One agency exec explained one of the problems this way: "Say (Continued on Page 31)



Illustration by David Small

REGULAR FEATURES

ADVERTISING	27
MARKETPLACE	27
BRADY	24
GOING PLACES	7
IN THE NEWS	31
LETTERS	29
PARTING SHOT	28
PEOPLE PATTERNS	28
PHOTO REVIEW	6
REGIONAL UPDATE	30
WORDS FROM GARTNER	24

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Tv turning over new leaf

By Desmond Smith

TORONTO—In a country as regionally diverse as Switzerland and bigger than China, national politics—which way the wind is blowing in Ottawa—is a good clue to media trends.

With the election of a conservative Prime Minister, the outlook for Canada's electronic media is one of change.

Pay tv appears to be taking off after a brutal shakeout that saw the financial collapse of all seven original national and regional pay tv companies. Two years later just three pay tv companies have survived, and then only after financial restructuring.

In English-speaking Canada, the First Choice pay tv company has a monopoly east of Alberta, while Superchannel owns everything west of the province. Super Ecran has the French monopoly nationwide.

Until now, with less than a 2% share of the total tv hours tuned in, pay tv has been a losing proposition for programmers and cable companies. But Fred Klinkhammer, president of First Choice, based in Toronto, says he expects his company to break into the black this year.

Colin Watson, president of Rogers Cablesystems of Toronto, Canada's largest cable service with 1.4 million subscribers, says the engine now driving

Desmond Smith is a senior producer with the Canadian Broadcasting Corp.

pay tv was last year's federal decision to allow cable operators to offer U.S. specialty channels.

Far ahead of systems in the U.S., cable in Canada is the dominant distribution technology for tv. More than 60% of households are hooked into cable systems, compared with 43.7% in the U.S.

However, cable is facing a challenge from the satellite dish, which has become as familiar a northern sight as the Hudson's Bay store and the snowmobile.

In addition to programs that can be picked off Canadian satellites, there is an even greater choice of programming available off U.S. satellites.

The Canadian Cable Television Assn. estimates between 80,000 and 100,000 satellites are in use. Recognizing the market potential, Tandy Corp.'s Canadian Radio Shack stores are marketing a complete C-band satellite dish that can receive between 50 and 100 channels.

Of all the emerging technologies in tv, videocassette recorders have stirred up the most interest among advertisers, broadcasters and cable operators.

According to A.C. Nielsen Co. and the Broadcast Bureau of Measurement, vcr penetration in Canada in 1978 was about 1%. By the summer of 1984, the bureau estimated vcrs had reached 20%.

This fragmentation of Canada's tv distribution system concerns Ron Willoughby, chairman of the Assn. of Canadian Adver-

tisers.

"The increasing number of viewer options is a significant trend, yet as advertisers I don't believe we have a handle on it," Mr. Willoughby says. He says that in the age of the vcr, it's time to reconsider the industry's cost-per-thousand yardstick.

"We have to think about viewership of commercials as opposed to viewership of programs now that viewers have such options as zapping, switching and editing."

Programming continues to be an explosive issue in Canada, as the trend toward more U.S. and foreign (mostly British) programming escalates. The trend has been helped by the new administration's relaxed attitude toward the Broadcasting Act of 1968, which says Canadian broadcasting should "safeguard, enrich and strengthen the cultural, political, social and economic fabric of the country."

In a newspaper article, Mark Starowicz, top current affairs producer with British Broadcasting Corp., said the Canadian broadcasting system has become substantially American, and noted that less than 30% of all English-language tv in Canada is Canadian.

But consumers don't seem to mind. The latest A.C. Nielsen Co. ratings book for 1984 listed "Dallas" on the CBC, "60 Minutes" on the Global Network and the movie "Popeye" on the CTV Network as the most watched tv shows.

Marketing in Canada Top 10 advertisers

Advertiser	Agencies	1983 spending (\$000,000)
Federal government	Media Canada Inc.*	\$38.2
Procter & Gamble	Leo Burnett, Benton & Bowles, Grey Advertising Young & Rubicam	27.4
John Labatt	Scali McCabe Sloves, Young & Rubicam, BCP Advertising, J. Walter Thompson**	27.1
Rothmans of Canada	Hayhurst Advertising	21.6
Dart & Kraft	Needham Harper Worldwide Foote, Cone & Belding	19.8
Ontario government	Foster Advertising*	19.4
General Motors	Foster Advertising, McLaren Advertising	19.2
Nabisco Brands	Ted Bates Advertising, Carder Gray Advertising, Hayhurst Advertising	18.6
The Molson Co.	McLaren Advertising, McKim Advertising	18.6
General Foods	McKim Advertising, Ogilvy & Mather, Hayhurst Advertising, McLaren Advertising, Communications PNMD	15.4

Note: Figures for major media only.

*Agency responsible for media buying.

**JWL will cease to have any involvement with Labatt on April 30, 1985.

Source: ADVERTISING AGE, Media Measurement Services.

Top 10 agencies

Agency	Major clients	1984 billings (\$000,000)
J. Walter Thompson	Kraft, Ford, PepsiCo, Warner Lambert, Relston Purina, Burger King, Goodyear	\$130
Foster Advertising	Ontario government, Mother's Restaurants, General Motors, Canada Dry, Canadian General Electric, Pitney Bowes	109.1
McKim Advertising	Molson, Canadian Pacific, Bell Canada, 7-Up, General Foods, Gillette, Canadian Imperial Bank of Commerce, Dairy Bureau	102.6
Ogilvy & Mather	American Express, Campbell Soups, General Foods, Rowntree, Seagram's, Wendy's, Shell, Lever	101.2
Young & Rubicam	General Foods, Colgate-Palmolive, Scott's Restaurants, Johnson & Johnson (part), Hershey Chocolate of Canada	79.1
Baker Lovick	Chrysler, Wrigley, Kimberly Clark, Bridgestone Canada, Petro Canada	77.6
McCann-Erickson	Coca-Cola, Kodak, R.J. Reynolds, Century 21, Christie Brown, Canadian Cannery, Minute Maid	72.1
Vickers & Benson	McDonald's Restaurants, Coca-Cola (promotions), Ford, Gulf Oil, 3M of Canada, Culinar Dairy Bureau	69.4
Hayhurst Advertising	Nabisco, Chesebrough-Ponds, Holiday Inns, Toronto-Dominion Bank, Rothman's, British Airways, Laura Secord, Irwin Toy	66.3
Cossette Communications-Marketing	McDonald's Restaurants (French), Bell Canada/Telecom, Club Med, Renault/AMC (Co-op)	63.8

Note: Billings restricted to Canada only.

Source: ADVERTISING AGE.

Top U.S. magazine circulations in Canada

Magazine	Circulation	Magazine	Circulation
National Geographic	746,066	Penthouse	341,894
National Enquirer	464,360	The Star	327,566
Conde Nast package	370,076	Good Housekeeping	281,840
Women's Day	361,337	Playboy	221,718
Family Circle	344,010	Globe	164,764

Note: Time Canada (357,632) is reported under Canadian figures because it is printed in Canada. Split runs for advertising in the Canadian-only copies of foreign magazines result in their being impounded at the border under various customs regulations. By printing in Canada, companies do not have to take magazines through customs—the pages are sent electronically direct to the Canadian printers. However, because the magazines are non-Canadian owned, advertisers may not claim tax deductions. Reader's Digest became a Canadian company for its magazine operation only, so that tax deductions for advertising are permissible. Source: Audit Bureau of Circulations and publishers' statements.

Magazine market heats up

By Tony Thompson

TORONTO—Newsweek's move to begin printing in Canada has brought controversy to the Canadian magazine industry, but it's the battle for the lucrative and growing yuppie market that's generating the industry's greatest activity.

The battle has caused a flurry of new launchings. Earlier this year, Thomson Newspapers-owned *Globe and Mail*, Toronto, produced the first of its monthly *Report on Business*, distributed free with the paper to the *Globe's* 380,000 readers.

At about the same time, CB Media, publisher of *Canadian Business*, the country's leading financial magazine, announced introduction of *Your Money*. Publishers say the magazine met the 100,000 target circulation for the first issue in January.

However, one new issue already has ended in failure. *Quest*, owned by Comac Communications, offered advice on the art of fine living and personal investment. Unfortunately, a survey found that few of the some 700,000 copies delivered free were opened. The publication folded in December.

While much of the industry's new-publication money is being socked into the slick, money-

oriented issues, much of the industry rhetoric is being aimed at *Newsweek*. The agreement between Canada Post and the Washington Post Co., *Newsweek's* parent company, for a mail rate subsidy allowing the company to pay about 5 cents to deliver each magazine instead of almost 40 cents that it normally costs for second-class mail, brought a storm of protest.

The powerful Canadian magazine lobby extracted a promise from the government that the magazine would be the last of the 28 U.S.-owned publications to enjoy this special postal rate. All major Canadian-owned magazines receive postal subsidies.

Newsweek's entry was a mini-series rerun of the late 1970s political intrigue that led to the disallowance of business tax deductions for Canadian companies advertising in non-Canadian-owned media.

Katharine Graham, board chairman of the Post Co., told the Empire Club of Canada in February that while "Canada's culture and national identity are well-served by support of Canadian media," diversity of information should not be "at the expense of... the foreign media."

However, Peter Newman, a former editor of *Maclean's*, at the same luncheon said new maga-

zines purporting to report on Canada should be owned and edited by Canadians.

Critics say this view, common among Canadian publishers, is blinkered, failing to take into account the ownership of U.S. media by Canadians. Mr. Newman's former employer, *Maclean's*, owns many U.S. trade magazines, recently acquired the *Houston Post*, and has several cable franchises in the U.S. And the Thomson family has more holdings in the U.S. than in any other country.

The controversy continues to provide free publicity for *Newsweek*. *Newsweek's* circulation before it began printing in Canada on Nov. 5 was about 55,000, vs. *Time's* 357,000 and *Maclean's* 643,000 copies. By January, *Newsweek* was selling 85,000 copies a week, with a mid-1985 target of 100,000 to satisfy media buyers' criteria.

Time has been printing in Canada since before 1976, when the business tax deductions for advertising were disallowed.

Canadian media buyers have welcomed *Newsweek's* entry. "I see it as a good thing; an enrichment," says George Murray, Ogilvy & Mather Canada's media director. "They have a good publication, and there's room for it here."